

Message Text

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ACTION EA-09

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E.O. 11652: N/A
TAGS: BEXP, RP
SUBJ: US METAL WORKING TRADE MISSION-DECEMBER 7-10, 1976

1. MISSION COMPLETED ON SCHEDULE WITHIN BUDGET AGREED TO WITH
A/O BEIRING (SEE MANILA 18455). PRIMARY AND SECONDARY OBJECTIVES
OF TM MEMBERS BEING ACHIEVED IN PHILIPPINES ALTHOUGH MARKET IS
PRESENTLY WEAKER HERE THAN IN ROK AND ROC. PRILIMINARY RESULTS
OF MEMBERS' CONTRACT IN MANILA ARE AS FOLLOWS:

DIRECT SALES CONTRACTS: 47
AGEN/DISTRIBUTOR/REPRESENTATIVE CONTRACTS: 37
DIRECT SALES DOLLARS: NONE DURING EVENT
PROJECTED 12 MONTH SALES DOLLARS: 500K TO \$1 MILLION
AGENTS APPOINTED: 3 DURING EVENT, 3 MORE PENDING
APPOINTMENTS HELD AT BIC: 90
INDIVIDUAL MEMBERS ALSO MADE PLANT VISITS AND HELD
MEETINGS PROGRAMMED BY AGENTS.

2. POTENTIAL CUSTOMERS ARE NOT GENERALLY FAMILIAR WITH
U.S. MACHINE TOOLS. EUROPEAN EQUIPMENT HERE APPEARS TO
HAVE A LARGER MARKET SHARE THAN ELSEWHERE IN THE PACIFIC
BASIN. YUGOSLAV, RUMANIAN AND PRC EQUIPMENT CURRENTLY ON
DISPLAY IN MANILA. ROC MACHINES ALSO COMPRISE A SUBSTANTIAL
SHARE OF LOCAL MARKET. PLANS OF GOVERNMENT AND PRIVATE
SECTION ARE EXPECTED TO IMPROVE THE OVERALL MACHINE TOOL
MARKET BUT NO SIGNIFICANT IMPROVEMENT IS SEEN BEFORE 18-24
MONTHS.

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3. CURRENT DIRECT SALES OPPORTUNITIES EXIST ON A SELECTIVE BASIS THAT WOULD REQUIRE LOCAL REPRESENTATION TO EXPLORE AND PROMOTE. QUALITY AND SUPERIOR TECHNOLOGY OF U.S. EQUIPMENT IS GENERALLY ACKNOWLEDGED, BUT MORE PRODUCT AND TECHNICAL INFORMATION NEEDS TO BE DISSEMINATED. RELATIVELY LITTLE INVESTMENT CAPITAL IS CURRENTLY AVAILABLE AND THUS, FINANCING CONTINUES TO BE A PROBLEM. BEST PROSPECTS FOR CURRENT SALES ARE PROBABLY FOREIGN-OWNED COMPANIES OPERATING IN THE PHILIPPINES.

4. EXCELLENT PRESS COVERAGE RECEIVED HERE, INCLUDING RADIO AND TV. RECEPTION AT MINISTER STULL'S HOME PROVIDED SOME OF THE BEST TOP-LEVEL BUSINESS CONTACTS. TM MEMBERS EXPRESS GRATITUDE AND COMMENDATION TO POST PERSONNEL AT ALL LEVELS HERE FOR THEIR COOPERATION, ASSISTANCE, AND PLANNING. TMD WILL CONTACT COMMERCE UPON RETURN TO WASHINGTON.
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